



NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Twenty-First (21st) Annual General Meeting (“AGM”) of **NEW HOONG FATT HOLDINGS BERHAD** (“the Company”) will be held at Banyan & Casuarina Rooms, Ground Floor, Sime Darby Convention Centre, 1A Jalan Bukit Kiara 1, 60000 Kuala Lumpur on Friday, 1 June 2018 at 10.00 a.m. for the following purposes:

A G E N D A

ORDINARY BUSINESS

- To receive the Audited Financial Statements for the financial year ended 31 December 2017 together with the Reports of the Directors and Auditors thereon.
Ordinary Resolution 1
- To approve a final single tier dividend of eight (8) sen per ordinary share in respect of the financial year ended 31 December 2017.
Ordinary Resolution 2
Ordinary Resolution 3
- To re-elect the following Directors who are retiring by rotation pursuant to Article 78 of the Articles of Association of the Company, and who being eligible, offer themselves for re-election:
(i) Mr Chin Jit Sin
(ii) Mr Danny Ng Siew L'Leong
Ordinary Resolution 4
Ordinary Resolution 5
- To approve the Directors' Fees of RM204,000 for the financial year ended 31 December 2017.
Ordinary Resolution 6
- To approve the Benefits Payable up to an aggregate amount of RM70,000 for the Non-Executive Directors with effect from 1 January 2018 until the next AGM of the Company to be held in the year 2019.
Ordinary Resolution 7
- To re-appoint Messrs BDO as Auditors of the Company and to authorise the Directors to fix their remuneration.
Ordinary Resolution 8

SPECIAL BUSINESS

To consider and, if thought fit, to pass the following resolutions, with or without modifications:

- PROPOSED BONUS ISSUE OF 7,515,660 NEW ORDINARY SHARES IN THE COMPANY (“SHARES” OR “BONUS SHARES”) ON THE BASIS OF ONE (1) BONUS SHARE FOR EVERY TEN (10) EXISTING SHARES HELD ON AN ENTITLEMENT DATE TO BE DETERMINED AND ANNOUNCED LATER (“PROPOSED BONUS ISSUE”)**
“THAT subject to the approvals of all relevant authorities and parties for the listing and quotation of the Bonus Shares, the Directors of the Company be and are hereby authorised to issue 7,515,660 Bonus Shares on the basis of one (1) Bonus Share for every ten (10) existing Shares via the capitalisation of the share premium and retained earnings accounts of the Company, to the shareholders of the Company whose names appear in the Record of Depositors of the Company as at the close of business on an entitlement date to be determined and announced by the Board.
THAT fractional entitlements arising from the Proposed Bonus Issue, if any, shall be dealt with in such manner as the Board in its absolute discretion deems fit, expedient and in the best interest of the Company.
THAT the Bonus Shares shall, upon issuance and allotment, rank *pari passu* in all respects with the then existing Shares, save and except that the Bonus Shares will not be entitled to any dividend, right, allotment and/or other distribution that may be declared, made or paid to shareholders of the Company, of which the entitlement date is prior to the date of issuance and allotment of the Bonus Shares.
AND THAT any one of the Directors of the Company be and is hereby authorised to sign and execute all documents to give effect to the Proposed Bonus Issue with full power to assent to any condition, modification, variation and/or amendment in any manner as may be required or imposed by the relevant authorities and to take all steps and do all acts and things in the manner as the Board may consider necessary or expedient in order to implement, finalise and give effect to the Proposed Bonus Issue.”
Ordinary Resolution 9
- PROPOSED AUTHORITY UNDER SECTIONS 75 AND 76 OF THE COMPANIES ACT 2016 FOR THE DIRECTORS TO ALLOT AND ISSUE SHARES**
“THAT pursuant to Sections 75 and 76 of the Companies Act 2016, the Directors of the Company be and are hereby authorised to allot and issue shares in the Company at any time until the conclusion of the next AGM upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion, deem fit provided that the aggregate number of shares to be issued does not exceed ten percent (10%) of the total number of issued shares of the Company for the time being, subject always to the approval of all relevant regulatory bodies being obtained for such allotment and issue.
AND FURTHER THAT the Directors of the Company whether solely or jointly, be authorised to complete and do all such acts and things (including executing such relevant documents) as he/they may consider necessary, expedient or in the interest of the Company to give effect to the aforesaid mandate.”
Ordinary Resolution 10
- RETENTION OF DATUK DR. ANIS BIN AHMAD AS INDEPENDENT DIRECTOR**
“THAT, in accordance with the Malaysian Code on Corporate Governance (“MCCG”), Datuk Dr. Anis bin Ahmad be and is hereby retained as Independent Non-Executive Director of the Company and be designated as such until the conclusion of the next AGM, subject to the provisions of the relevant regulatory authorities.”
Ordinary Resolution 11
- RETENTION OF MR DANNY NG SIEW L'LEONG AS INDEPENDENT DIRECTOR**
“THAT, subject to the passing of Resolution 3 above, and in accordance with the MCCG, Mr Danny Ng Siew L'Leong be and is hereby retained as Independent Non-Executive Director of the Company and be designated as such until the conclusion of the next AGM, subject to the provisions of the relevant regulatory authorities.”
Ordinary Resolution 12
- RETENTION OF MR WONG YOKE NYEN AS INDEPENDENT DIRECTOR**
“THAT, in accordance with the MCCG, Mr Wong Yoke Nyen be and is hereby retained as Independent Non-Executive Director of the Company and be designated as such until the conclusion of the next AGM, subject to the provisions of the relevant regulatory authorities.”
Ordinary Resolution 13
- To transact any other business for which due notice has been given in accordance with the Companies Act 2016 and the Articles of Association of the Company.

NOTICE OF DIVIDEND ENTITLEMENT AND PAYMENT

FURTHER NOTICE IS HEREBY GIVEN THAT subject to the approval of the shareholders at the Twenty-First (21st) AGM of the Company, a final single tier dividend of eight (8) sen per ordinary share for the financial year ended 31 December 2017 will be paid on 12 July 2018 to Depositors whose names appear in the Record of Depositors on 20 June 2018.

A depositor shall qualify for entitlement only in respect of:

- Securities transferred into the Depositor's Securities Account before 4.00 p.m. on 20 June 2018 in respect of transfers; and

- Securities bought on Bursa Malaysia Securities Berhad on a cum entitlement basis according to the Rules of Bursa Malaysia Securities Berhad.

By Order of the Board

WONG YOUN KIM (MAICSA 7018778)

Company Secretary

Kuala Lumpur

25 April 2018

Notes:

- Every member entitled to attend and vote at the meeting is entitled to appoint up to two (2) proxies to attend and vote for him/her. A proxy may but need not be a member of the Company. If the proxy is not a member, he/she need not be an advocate, an approved company auditor or a person approved by the Registrar in a particular case. If a member appoints two (2) proxies, the appointment shall be invalid unless he/she specifies the proportion of his/her holdings to be represented by each proxy. There shall be no restriction as to the qualification of the proxy.
- Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991 (“Authorised Nominee”), it may appoint up to two (2) proxies in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.
- Where a member of the Company is an exempt Authorised Nominee which holds ordinary shares in the Company for multiple beneficial owners in one (1) securities account (“Omnibus Account”), there is no limit to the number of proxies which the exempt Authorised Nominee may appoint in respect of each Omnibus Account it holds.
- Only a depositor whose name appears in the Company's Record of Depositors as at 25 May 2018 shall be regarded as a member and entitled to attend, participate, speak and vote at this meeting or appoint proxy(ies) to attend and vote on his/her behalf.
- The Proxy Form must be signed by the appointer or if the appointer is a corporation, either under the seal or under the hand of an officer or attorney duly authorised.
- The original signed and/or sealed copy of the Proxy Form must be deposited at the Registered Office of the Company at Level 2, Tower 1, Avenue 5, Bangsar South City, 59200 Kuala Lumpur not less than twenty-four (24) hours before the time appointed for the taking of the poll at the meeting or any adjournment thereof.
- Pursuant to Paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, all the resolutions set out in the Notice of the AGM will be put to vote by way of poll.

EXPLANATORY NOTES

1. Ordinary Resolution 1 - Approval of a final single tier dividend of eight (8) sen

Pursuant to Sections 131 and 132 of the Companies Act 2016, the Company may only make a distribution to the shareholders out of the profits available if the Company is solvent. On 27 February 2018, the Board had considered the amount of dividend and is satisfied that the Company will remain solvent and able to pay its debts as and when the debts become due within twelve (12) months immediately after the distribution of the final single tier dividend is made on 12 July 2018. The Board decided to recommend the same for the shareholders' approval.

2. Ordinary Resolution 7 - Proposed Bonus Issue

The proposed Resolution 7 is to consider and if deem fit, approve the Proposed Bonus Issue. The details of the Proposed Bonus Issue are contained in the Circular to Shareholders dated 25 April 2018 accompanying the Company's 2017 Annual Report.

3. Ordinary Resolution 8 - Proposed Authority under Sections 75 and 76 of the Companies Act 2016 for the Directors to allot and issue shares

The Ordinary Resolution 8 proposed under item 8 of the Agenda is a renewal of the general mandate for issuance of shares by the Company under Sections 75 and 76 of the Companies Act 2016.

The renewal of the general mandate, if passed, will provide flexibility for the Company and empower the Directors to allot and issue new shares in the Company speedily up to an amount not exceeding in total 10% of the total number of issued shares of the Company for such purposes as the Directors consider would be in the interest of the Company. This would eliminate any delay arising from and cost involved in convening a general meeting to obtain approval of the shareholders for such issuance of shares. This authority, unless revoked or varied by the Company at a general meeting, will expire at the next AGM of the Company.

This authority will provide flexibility to the Company for any possible fund raising activities, including but not limited to further placing of shares for purpose of funding investment project(s), working capital and/or acquisition(s).

As at the date of this Notice, no new shares were issued pursuant to the general mandate granted to the Directors of the Company at the last AGM held on 1 June 2017 which will lapse at the conclusion of the Twenty-First (21st) AGM to be held on 1 June 2018.

4. Ordinary Resolution 9 - Retention of Datuk Dr. Anis as Independent Director

Datuk Dr. Anis, who has served the Board as Independent Non-Executive Director for a tenure of exceeding twelve (12) years, will be retained as Independent Director if this resolution is passed. In observing the Practice 4.2 of the MCCG in relation to tenure of an Independent Director, the Board, after having assessed the independence of Datuk Dr. Anis, considers him to be independent and recommends that Datuk Dr. Anis be retained as Independent Non-Executive Director of the Company. The details of his assessment and justifications are contained in the Corporate Governance Overview Statement of the Annual Report.

5. Ordinary Resolution 10 - Retention of Mr Danny Ng Siew L'Leong as Independent Director

Mr Danny Ng Siew L'Leong (“Mr Ng”), who has served the Board as Independent Non-Executive Director for a tenure of exceeding twelve (12) years, will be retained as Independent Director if this resolution is passed. In observing the Practice 4.2 of the MCCG in relation to tenure of an Independent Director, the Board, after having assessed the independence of Mr Ng, considers him to be independent and recommends that Mr Ng be retained as Independent Non-Executive Director of the Company. The details of his assessment and justifications are contained in the Corporate Governance Overview Statement of the Annual Report.

6. Ordinary Resolution 11 - Retention of Mr Wong Yoke Nyen as Independent Director

Mr Wong Yoke Nyen (“Mr Wong”), who has served the Board as Independent Non-Executive Director for a tenure of exceeding nine (9) years, will be retained as Independent Director if this resolution is passed. In observing the Practice 4.2 of the MCCG in relation to tenure of an Independent Director, the Board, after having assessed the independence of Mr Wong, considers him to be independent and recommends that Mr Wong be retained as Independent Non-Executive Director of the Company. The details of his assessment and justifications are contained in the Corporate Governance Overview Statement of the Annual Report.